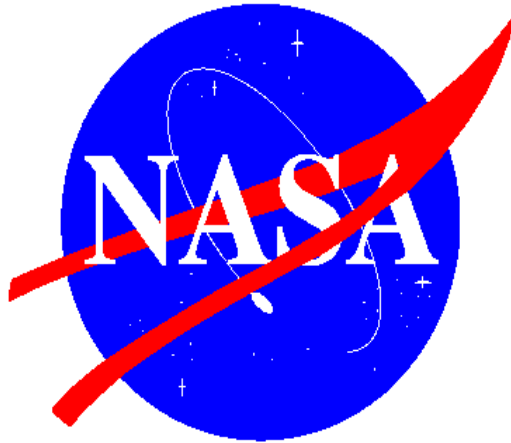


Responsible Office: Code RS  
Subject: IG/GAO Audit Liaison



## **Aero-Space Technology Strategic Enterprise (HQ/Code R)**

### **Office Work Instruction**

### **IG/GAO Audit Liaison**

Responsible Office: Code RS  
Subject: IG/GAO Audit Liaison

## DOCUMENT HISTORY LOG

<u>Status</u> ( <u>Baseline/</u> <u>Revision/</u> <u>Canceled</u> )	<u>Document</u> <u>Revision</u>	<u>Effective</u> <u>Date</u>	<u>Description</u>
Baseline		9/9/1999	
Revision	A	6/7/2000	Revised flowchart and text to use identical wording as in quality records.

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Approved By: Greg M. Reck June 7, 2000

**1. Purpose**

The purpose of this OWI is to document the procedure used to provide a complete, accurate response to GAO and IG Audits/Assessments and Investigations.

**2. Scope and Applicability**

- 2.1** This instruction applies to the Office of Aero-Space Technology at NASA Headquarters (Code R). It does not include any center activities, but does interface with the Management Assessment Division within the Office of Management Systems (Code J).

**3. Definitions**

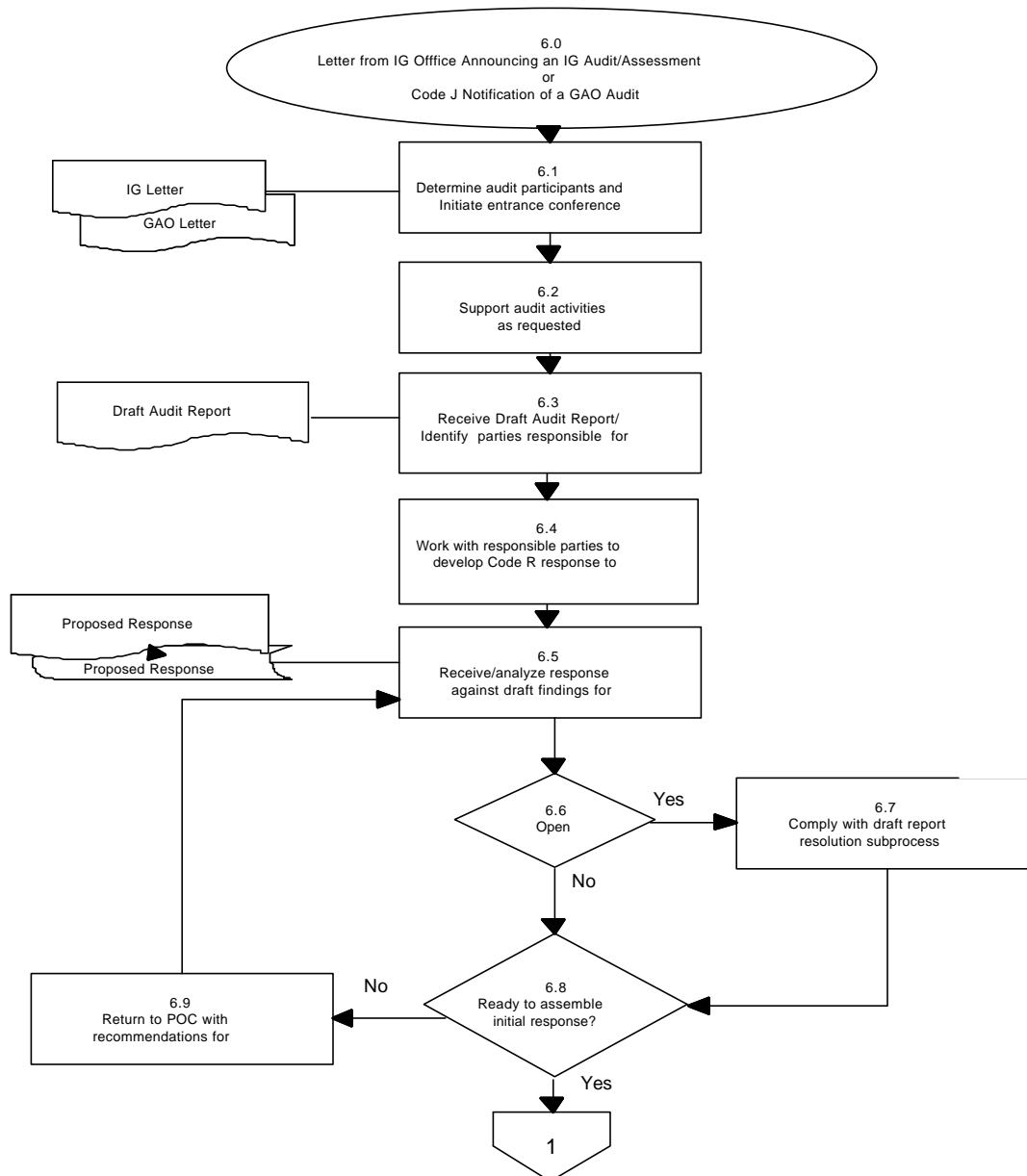
AA	Associate Administrator
ACO	Audit Closure Official for the Aero-Space Technology Strategic Enterprise (Code R), an assignment within Code RS
AFO	Audit Follow-up Official, an assignment of the Associate Deputy Administrator (Code AI)
ALR	Audit Liaison Representative for the Aero-Space Technology Strategic Enterprise (Code R), an assignment within Code RS
CATS	Corrective Action Tracking System
Code J	Office of Management Systems
Code R	Office of Aero-Space Technology
GAO	General Accounting Office
IG	Inspector General
OAT	Office of Aero-Space Technology
OIC	Official in Charge (Non-Enterprise or Functional Offices)
POC	Point of Contact

**4. References**

NPD 1200.1	Management Accountability and Control, Audit Liaison and Audit Follow-up - Policy Statement
NPG 1200.1	Management Accountability and Control, Audit Liaison and Audit Follow-up - Procedures and Guidelines

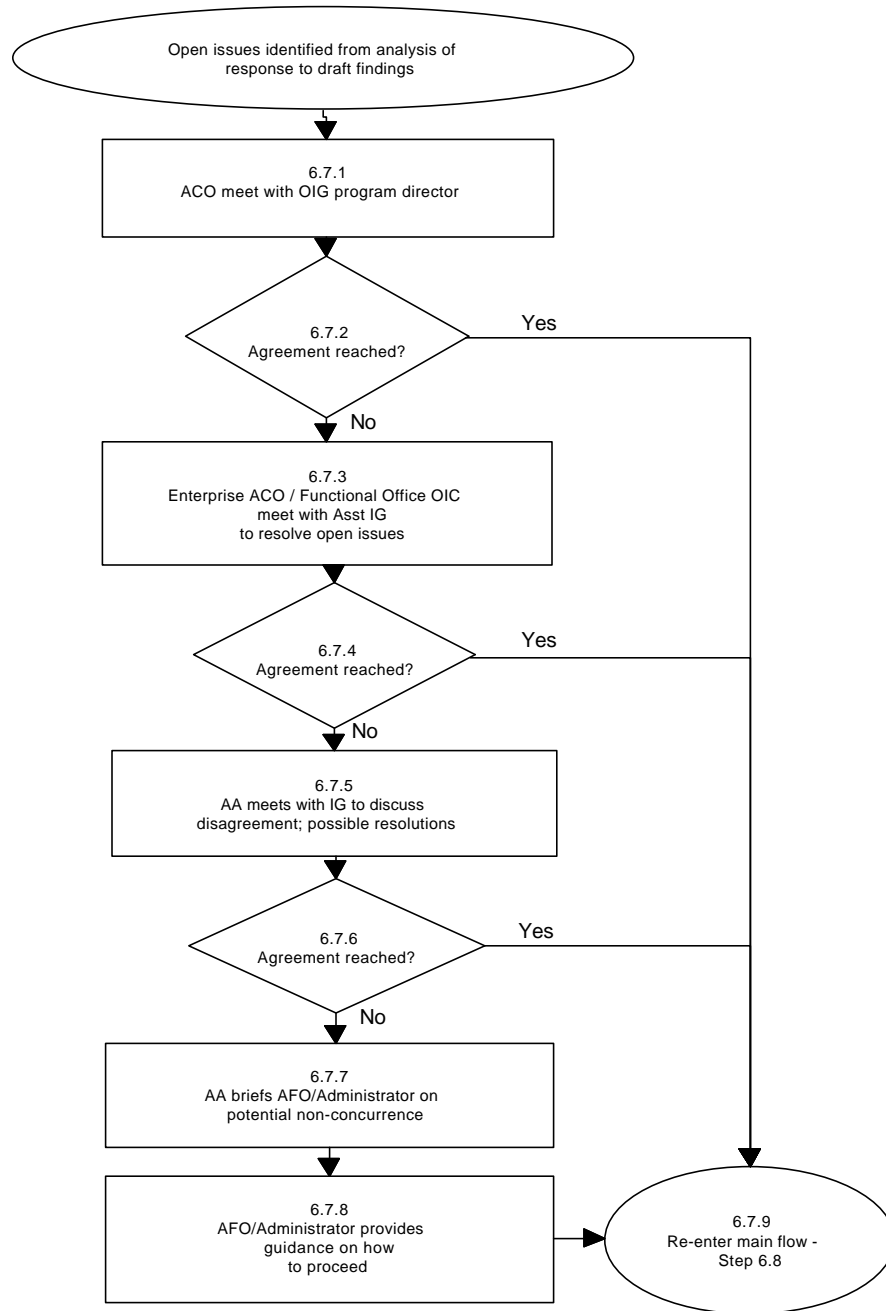
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## 5. Flowchart

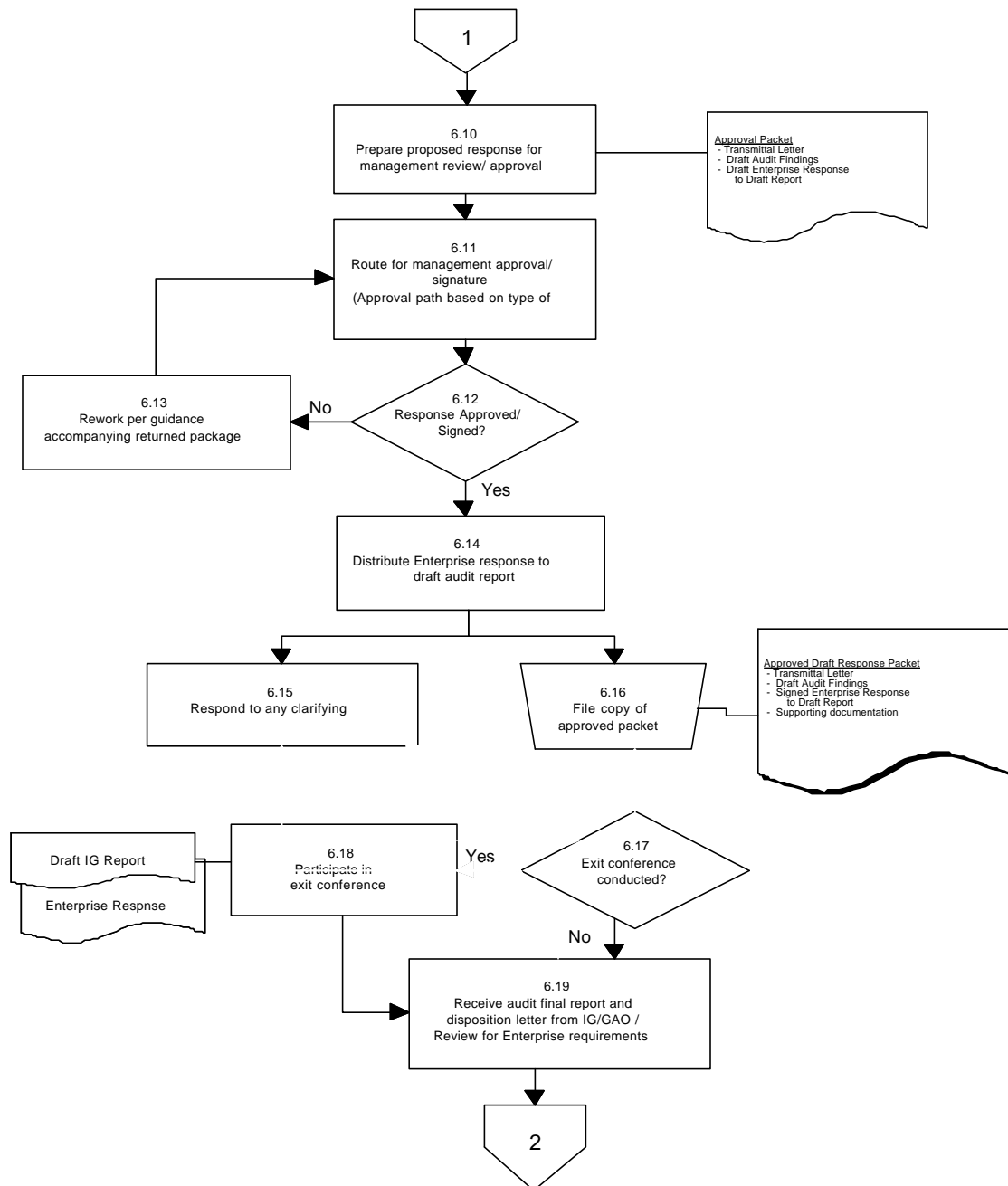


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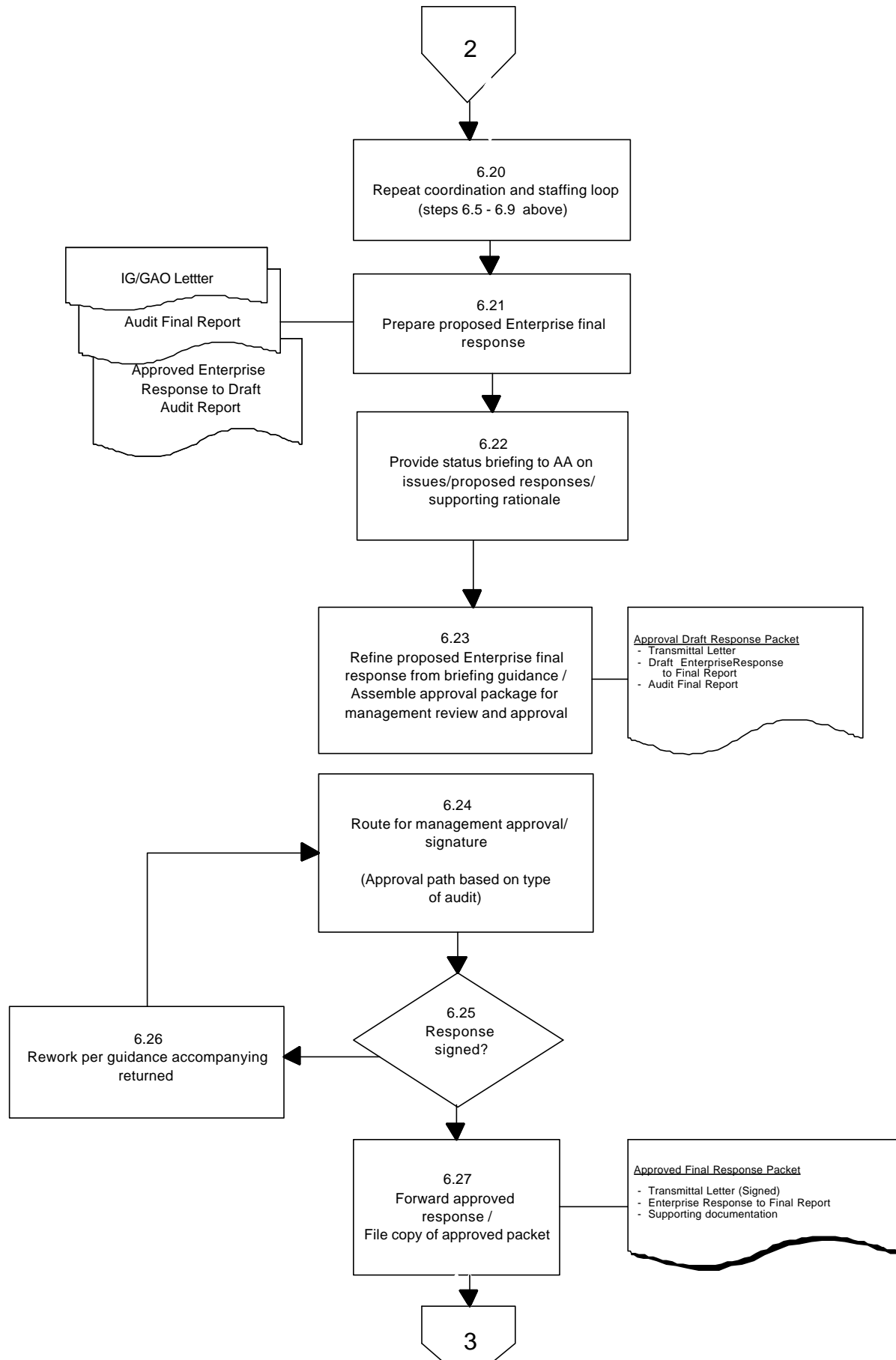
## 6.7 IG Audit draft report resolution subprocess



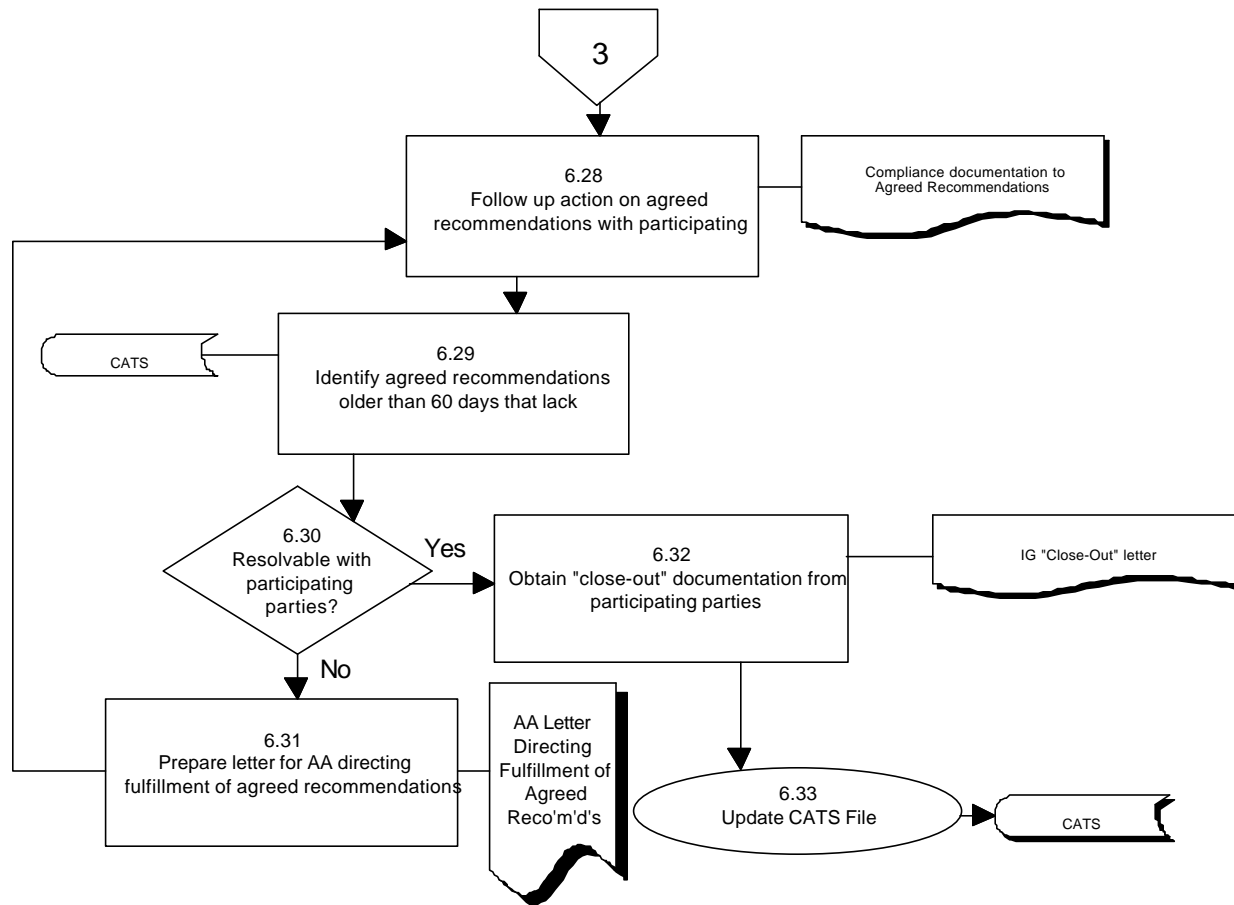
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## 6. Procedure

<u>Step</u>	<u>Actionee</u>	<u>Action</u>
6.0	ALR	<p>Receipt of an IG or GAO letter announcing the initiation of an audit, assessment or investigation into a program or element of a program under the purview of the OAT. Code J is responsible for forwarding letters to enterprise offices concerning GAO audits.</p> <p>These letters provide a brief scope and overall objective of the action the IG or GAO has planned, the division of the IG office undertaking the action, the month the action will begin, the location where the action will take place, and the auditor in charge of the action. In addition, they will request a point of contact be named to interact and provide information to the program personnel under review as well as to the auditors or reviewers. This letter will also provide an opportunity for the enterprise/program to schedule an entrance conference with the IG or GAO. (Code J, with our help, will name a POC).</p> <p>The ALR establishes a file that will follow the audit or assessment and provide a record for audit review.</p>
6.1	ALR	<p>Also upon receipt of this letter, the ALR determines the participants from Headquarters and the centers that will be affected in the action including any functional office personnel. The ALR would then initiate an entrance conference and issue invitations to all concerned parties.</p>
6.2	ALR	<p>ALR must entertain and provide answers to any questions by either auditors or any other participants in the action.</p>
6.3	ALR	<p>Receive draft report from IG/GAO and review recommendations for identification of parties responsible for answers. Many times the recommendations will indicate who will be responsible for the answer. The program officials will also decide if they need to have legal or some other office help them with an answer.</p>
6.4	ALR	<p>ALR must coordinate with all responsible parties, including IG personnel to formulate a response to the draft findings. The ALR must work with all parties and make every attempt to come to a concurrence on as many recommendations as possible.</p>
6.5	ALR	<p>The ALR receives input from all concerned parties and analyzes the incoming data from all sources. The ALR first compares inputs from all sources to determine that there are no disagreements on any issue between respondents (Centers and functional offices). The ALR will then look at nonconcurrences and talk to other ALRS, auditors and program officials to make sure that as many dissenting opinions with the IG as possible have been resolved. The ALR then writes the response to the draft recommendations.</p>

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- 6.6 ALR** Determine if we have any nonconcurrences. If there are open issues for any recommendations, the ALR must follow the process for unresolved issues.
1. If the audit/assessment is an IG report, go to step 6.7 and follow the resolution sub process in an attempt to reconcile differences.
  2. If the report is on a GAO audit, the ALR may proceed to step 6.8.
  3. If the report is an IG without any partial nonconcurrences or total nonconcurrences, the ALR may proceed to step 6.8.
- 6.7 ALR** Comply with draft report resolution sub-process.
- 6.7.1 ACO** The Enterprise ACO meets with the OIG program director in an attempt to compromise on open issues.
- 6.7.2** If agreement has been reached, go to 6.8. If agreement has not been reached, then go to step 6.7.3.
- 6.7.3 ACO** The Enterprise ACO/OIC meets with the Assistant IG for the Division of the IG performing the audit, assessment, or investigation in an attempt to reconcile differences.
- 6.7.4** If agreement has been reached, continue on to 6.8. If agreement has not been reached, then we will proceed to 6.7.5.
- 6.7.5 AA** The Enterprise AA will have an opportunity to meet with the IG to discuss the disagreement and come to a possible compromise or resolution.
- 6.7.6** If agreement has been reached, then the ALR will proceed to 6.8. If agreement has not been reached, then the process moves to step 6.7.7.
- 6.7.7 AA** The Enterprise AA briefs the AFO/Administrator on the potential non-concurrence. This is to make upper management aware of the potential for the IG to go forward with the final report outside of the agency upon receipt of the draft response.
- 6.7.8 AFO** AFO/Administrator provides guidance on how to proceed with the recommendation and the response to the IG.
- 6.7.9** Re-enter main flow - Step 6.8
- 6.8 ALR** After all meetings to resolve issues and guidance has been received, decide if the draft response package is ready to be assembled.
- 6.9 ALR** If problems are still evident, package is not ready and must be returned to POC with participating parties recommendations for

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- improvement. An example of a problem may be the establishment of due dates for agreed to items.
- 6.10 ALR** The proposed response to the draft report is finalized and a transmittal letter is prepared by the ALR. The package that is forwarded to the AA and all other parties for signature includes the draft report itself, the response to the draft report, and the transmittal letter.
- 6.11 ALR** This draft response package goes forward for signature by the AA and other required signatories based on type of audit. An IG package must be signed by the AA and occasionally may have concurrence by some functional offices. A GAO audit however, must be signed by the General Council's Office, the Legislative Affairs Office, the Enterprise AA and Office of Management Systems. The Management Systems Office forwards the package to the FAO for signature.
- 6.12 ALR** If response is not signed, go to Step 6.13
- 6.13 ALR** If a nonapproval occurs in the signature cycle, the package must be reworked per guidance accompanying the returned package and results in response package returning through the approval cycle.
- 6.14 ALR** Once all approvals and signatures are in place, the approved draft response packet can be distributed. The original will go to the IG or GAO with copies to Code JM, any centers, functional offices or other enterprises involved.
- 6.15 ALR** Once the IG/GAO receives the package, the ALR must respond to any questions clarifying the Enterprise position. The ALR may call upon program personnel to help provide these answers.
- 6.16 ALR** A copy of the approved draft response with the transmittal letter is put into an appropriate file for this audit, along with the draft report and any other documentation that was received from other organizations in answer to any recommendation.
- 6.17 ALR** The program POC being reviewed may request an exit conference. If this is requested, the ALR sets up the conference and notifies all parties participating in the audit/assessment.
- 6.18 ALR** All principals with representatives from JM and the ALR participate in the exit conference.
- 6.19 ALR** Receive audit/assessment final report and disposition letter from IG or GAO. Review for enterprise requirements. Many times additional information or clarification is requested
- 6.20 ALR** Repeat coordination and staffing loop (steps 6.5-6.9 above)

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- |             |                              |   |
|-------------|------------------------------|---|
| <b>6.21</b> | <b>ALR</b>                   | Prepare proposed Enterprise final response with help of any other parties necessary to provide information.   |
| <b>6.22</b> | <b>ALR</b>                   | Provide status briefing to AA on issues/proposed responses and any supporting rationale. The ALR will require program personnel to accurately portray the concerns they have with any open issues.  |
| <b>6.23</b> | <b>ALR/Program Officials</b> | Refine proposed Enterprise final response from briefing guidance and prepares transmittal letter. Assemble package for management review and approval.  |
| <b>6.24</b> | <b>ALR</b>                   | Route package for signature of all parties involved based on the type of audit and who participated in responses.   |
| <b>6.25</b> | <b>ALR</b>                   | If response is not signed go to Step 6.26.  |
| <b>6.26</b> | <b>ALR</b>                   | If the response is not approved along the approval cycle, rework per guidance in non-concurrence package and re-submit for approval.  |
| <b>6.27</b> | <b>ALR</b>                   | If the approved final response packet is signed, forward to the IG/GAO and all parties as identified including JM. (See Step 6.24)  |
|             |                              | After signature, prepare file package with transmittal letter, final report and all documentation from participants along with all signatures. This approved final response packet must be put into the permanent file for audit review.  |
| <b>6.28</b> | <b>ALR</b>                   | The ALR must follow up on all agreed upon recommendations with participating parties. Paper documentation must be provided to the IG/GAO when we agree to follow a recommendation. This compliance documentation to agreed recommendations must become a part of the ALR's permanent file.            |
| <b>6.29</b> | <b>ALR</b>                   | The ALR must identify agreed upon recommendations older than 60 days that lack proof of compliance by use of the CATS system.   |
| <b>6.30</b> | <b>ALR/Program Officials</b> | The ALR must review with program personnel, auditors if necessary and other participating parties to see if any of these items could still be negotiated. These would be with items the program officials already agreed to do, but for some reason, the program personnel find a response difficult. |
| <b>6.31</b> | <b>ALR</b>                   | If satisfactory resolution cannot be reached at the ALR level, prepare a letter for the AA directing fulfillment of agreed recommendations. After letter of direction, follow up action again (step 6.28). This letter must be filed in the permanent record file.                                    |
| <b>6.32</b> | <b>ALR</b>                   | If the ALR resolution is obtained, close out documentation from participating parties.  |

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Receive close out reply from IG. Retain all documentation as proof of compliance with recommendations along with IG close out letter in appropriate audit/assessment permanent file.

**6.33 ALR** Update CATS and Suspense File to reflect all closed items.

## 7. Quality Records

Record ID	Owner	Location	Record Media	NPG 1441.1 Schedule and Item Number	Retention/Disposition
Approved Draft Response Packet	RS ALR	ALR Files	Paper	Schedule 9, Item 24B.2	Destroy 2 Years After Date of Final Report
Approved Final Response Packet	RS ALR	ALR Files	Paper	Schedule 9, Item 24B.2	Destroy 2 Years After Date of Final Report
Compliance Documentation to Agreed Recommendations	RS ALR	ALR Files	Paper	Schedule 9, Item 24B.2	Destroy 2 Years After Date of Final Report
AA Letter Directing Fulfillment of Agreed Recommendations	RS ALR	ALR Files	Paper	Schedule 9, Item 24B.2	Destroy 2 Years After Date of Final Report
IG "Close-out" Letter	RS ALR	ALR Files	Paper	Schedule 9, Item 24B.2	Destroy 2 Years After Date of Final Report